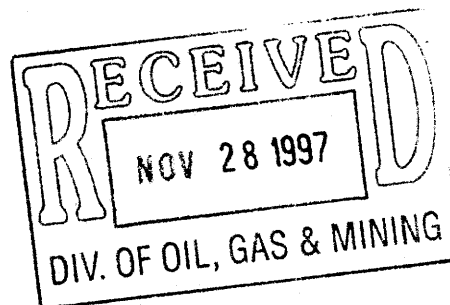




m/001/027

PEARL QUEEN PERLITE CORPORATION

MR. D. WAYNE HEDBERG
UTAH DIVISION OF OIL, GAS AND MINING
P.O. 145801
SALT LAKE CITY, UTAH 84114-5801



November 24, 1997

RE: Pearl Queen Perlite Corporation 1997 Annual Report.
Large Mine Permit M/001/027.

Dear Mr. Hedberg:

Enclosed please find the 1997 Annual Report of Mining Operations for Pearl Queen Perlite Corporation under Large Mine Permit M/001/027.

Once again, Wayne, for my part and on behalf of the others involved with PQP, thank you for the time and help you extended this past year on our behalf during our application project.

Please stop by if you are in the area; it would be a pleasure to show you around our milling and loadout operation.

Sincerely Yours:

Daniel Gatten
Project Coordinator

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